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09/809,765	03/15/2001	Larry Scheinberg	11847-010001	4984

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FISH & RICHARDSON PC  
P.O. BOX 1022  
MINNEAPOLIS, MN 55440-1022

EXAMINER
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APPLE, KIRSTEN SACHWITZ

ART UNIT	PAPER NUMBER
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3628

DATE MAILED: 07/26/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/809,765

Applicant(s)

SCHEINBERG ET AL.

Examiner

Kirsten S. Apple

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☐ Responsive to communication(s) filed on \_\_\_\_.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-15 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-15 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 15 March 2001 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date Oct 7, 2002.
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_.

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### ***Drawings***

The drawings are objected to as failing to comply with 37 CFR 1.84(p)(4) because reference character

- “18c” has been used to designate both “Subscriber” and “Positions” (in FIG 3).
- “90” has been used to designate both “Subscriber designates trader” and “Trader begins trading” (in FIG 4).
- “122” has been used to designate both “User determines product genus”, “User determines product listing rules” and “user determines product species parameters (in FIG 6).

Corrected drawing sheets in compliance with 37 CFR 1.121(d) are required in reply to the Office action to avoid abandonment of the application. Any amended replacement drawing sheet should include all of the figures appearing on the immediate prior version of the sheet, even if only one figure is being amended. Each drawing sheet submitted after the filing date of an application must be labeled in the top margin as either “Replacement Sheet” or “New Sheet” pursuant to 37 CFR 1.121(d). If the changes are not accepted by the examiner, the applicant will be notified and informed of any required corrective action in the next Office action. The objection to the drawings will not be held in abeyance.

### ***Specification***

Applicant is reminded of the proper language and format for an abstract of the disclosure.

The abstract should be in narrative form and generally limited to a single paragraph on a separate sheet within the range of 50 to 150 words. It is

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important that the abstract not exceed 150 words in length since the space provided for the abstract on the computer tape used by the printer is limited. The form and legal phraseology often used in patent claims, such as "means" and "said," should be avoided. The abstract should describe the disclosure sufficiently to assist readers in deciding whether there is a need for consulting the full patent text for details.

The language should be clear and concise and should not repeat information given in the title. It should avoid using phrases which can be implied, such as, "The disclosure concerns," "The disclosure defined by this invention," "The disclosure describes," etc.

In particular the examiner objects to the use of "species contracts" and "contract genus" (page 39, line 11). Both of these terms are unclear to someone of ordinary skill in the art.

Below are listed a few of the informalities in the specification:

- CFTC is not defined (page 4, line 27)
- "trading limits 17" (page 5, line 22) is not shown on FIG 1
- "internet-based on-line trading system 11" (page 5, line 24) was only defined above as "system 11" (page 3, line 23)
- "exchange trading system 60" (page 6, line 2) is not shown on FIG 2, perhaps the applicant was referring to "item 40."
- "fields 18a" (page 6, line 16) is not shown on FIG 3
- "contracts 110" (page 7, line 8) is unclear
- "global parameters 102" (page 7, line 11) should be "104"
- "112a-112h" should be "112a-112n"
- "matching engine 150" not listed on FIG 8

The specification is replete with errors and the entire specification should be reviewed in its entirety for typographical and grammatical errors.

Appropriate correction is required.

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-15 are rejected under 35 U.S.C. 103(a) as being unpatentable over Blauvelt (PG pub U.S. 2002/0091625 A1 and provisional application 60/248,133) in view of Selleck ((PG pub U.S. 2001/0049651 A1 and provisional application 60/200,248)

**Re Claim 1 and 9:**

Blauvelt clearly shows a method as follows:

*A method for managing delivery commitments associated with a contract for goods traded on an electronically based exchange comprises:*

*determining a short position in the contract is indicated for delivery (see Blauvelt FIG 2, item 202 and 204);*

*matching a long position to the short position for the contract (see Blauvelt FIG 2, item 218);*

*determining delivery commitments for each party to the contract (see Blauvelt FIG 2, item 222 and 224);*

However, Blauvelt does not include post-execution steps such as constraining assets, determining delivery commitments and releasing assets.

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On the other hand, Selleck outlines "e-cash" (column 4, line 11-14) that fulfills these step. In particular, Selleck clearly shows a method as follows:

*constraining assets against the delivery commitments undertaken by each party* (see Selleck FIG 3, Item 100 described on page 13, column 2, line 8-12 or paragraph 0192);

*determining a percentage of the delivery commitments associated with the contract that has been performed by one of the parties; and* (see Selleck FIG 3, Item 210 described on page 13, column 2, line 1-8 or paragraph 0192);

*releasing the asset constraints held against the performing party at about the determined percentage* (see Selleck FIG 3, Item 110 and 120 described on page 15, column 1, line 51-54 or paragraph 0202).

Based on this information it would be obvious to one of ordinary skill in the art at the time of the invention that "ecash" from Selleck could have been used in the Blauvelt invention.

The motivation to add "ecash" would be to be to complete the transaction identified by Blauvelt.

The method claim 1 is similar to system claim 9. It would be obvious to one of ordinary skill in the art that these claim have similar limitation. Therefore, claim 9 is rejected based on the information provided regarding claim 1.

**Re Claim 2 and 10:**

Blauvelt clearly shows a method as follows:

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*The method wherein determining a short position in the contract indicated for delivery determines that a short position indicates a delivery notice or settlement date reached. (see Blauvelt FIG 2, item 202 and 204)*

The method claim 2 is similar to system claim 10. It would be obvious to one of ordinary skill in the art that these claim have similar limitation. Therefore, claim 10 is rejected based on the information provided regarding claim 2.

**Re Claim 3 and 11:**

Blauvelt clearly shows a method as follows:

*The method wherein matching a long position to the short position for the contract matches a long position in an order book with the same specificity as the short position. (see Blauvelt FIG 2, item 218)*

The method claim 3 is similar to system claim 11. It would be obvious to one of ordinary skill in the art that these claim have similar limitation. Therefore, claim 11 is rejected based on the information provided regarding claim 3.

**Re Claim 4 and 12:**

Blauvelt clearly shows a method as follows:

*The method wherein determining delivery commitments for each party to the contract (see Blauvelt FIG 2, item 222 and 224) further comprises:*

*determining the buyer and seller for the contract (see Blauvelt FIG 2, item 220 also described in paragraph 0034);*

*determining the terms of payment for the buyer (see Blauvelt FIG 2, Item 222 "create appropriate finance trades" also described in paragraph 0035) ; and*

*determining the terms of delivery for the seller (see Blauvelt FIG 2, Item 224 "create appropriate finance trades" also described in paragraph 0035).*

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The method claim 4 is similar to system claim 12. It would be obvious to one of ordinary skill in the art that these claim have similar limitation. Therefore, claim 12 is rejected based on the information provided regarding claim 4.

**Re Claim 5 and 13:**

Blaauvelt clearly shows a method as follows:

*The method wherein constraining assets against the delivery commitments undertaken by each party (see Selleck FIG 3, Item 100 described on page 13, column 2, line 8-12 or paragraph 0192); further comprises:*

*determining an initial margin amount for each party to the contract (see Selleck FIG 3, Item 110 "initial margin" described on page 13, column 2, line 8-12 or paragraph 0192) ;*

*determining assets held in each party's trading account are sufficient to cover the initial margin amount (see Selleck FIG 3, Item 100 "current portfolio value" described on page 13, column 2, line 8-12 or paragraph 0192); and*

*indicating which assets in each party's trading account are designated as margin assets for the contract (see Selleck FIG 3, Item 100 "current portfolio value" described on page 13, column 2, line 8-12 or paragraph 0192).*

The method claim 5 is similar to system claim 13. It would be obvious to one of ordinary skill in the art that these claim have similar limitation. Therefore, claim 13 is rejected based on the information provided regarding claim 5.

**Re Claim 6 and 14:**

Blaauvelt clearly shows a method as follows:



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*The method wherein determining a percentage of the delivery commitments associated with the contract that has been performed by one of the parties (see Selleck FIG 3, Item 210 described on page 13, column 2, line 1-8 or paragraph 0192) further comprises:*

*receiving a delivery amount message from one of said parties to the contract (see Selleck, page 13, column 2 line 4-5 "show the effect of the trade by listing... offers to sell at 0.8586");*

*receiving a confirmation of the delivery amount message from the other party to the contract which confirms a partial completion of the delivery commitments by one of said parties (see Selleck, page 13, column 2, line 6-8 "register the current position.. as now including... 1 long steel-pipe eContract at 0.8586); and*

*determining the percentage of commitments completed by comparing the delivery amount to the delivery commitments.*

The method claim 6 is similar to system claim 14. It would be obvious to one of ordinary skill in the art that these claim have similar limitation. Therefore, claim 14 is rejected based on the information provided regarding claim 6.

**Re Claim 7 and 15:**

Blauvelt clearly shows a method as follows:

*The method wherein releasing the asset constraints held against the performing party at about the determined percentage (see Selleck FIG 3, Item 110 and 120 described on page 15, column 1, line 51-54 or paragraph 0202) further comprises:*

*reducing a margin amount designated for the performing party at about the determined percentage (see Selleck FIG 3, Item 110); and indicating the assets in the performing party's trading account that are no longer designated as margin assets for the contract (see Selleck FIG 3, Item 100);.*

The method claim 7 is similar to system claim 15. It would be obvious to one of ordinary skill in the art that these claim have similar limitation. Therefore, claim 15 is rejected based on the information provided regarding claim 7.

**Re Claim 8:**

Blauvelt clearly shows a method for "matching short and long positions" (see Blauvelt, in Abstract, line 1-2.)

Although Blauvelt does not explicitly state that these would be "futures contracts traded in a futures exchange" it would be obvious to one of ordinary skill in the art at the time of the invention that long and short options are one type of future options sold in a futures market by definition. In addition, Selleck explicitly states, "buying and selling futures contract (see Selleck, page 1, column 1, paragraph 0006.)"

**Conclusion**

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Hawkins (U.S. Patent 6,247,000) "METHOD AND SYSTEM FOR CONFIRMATION AND SETTLEMENT FOR FINANCIAL TRANSACTIONS MATCHING" teaches; "a method and system for matching order routing of

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securities and other transaction information on a post-executions basis, such as during the confirmation and settlement phase. (Abstract, line 2-6)

"AGENTS THAT BUY AND SELL", Communications of ACM, March 1999, Vol. 42, No. 3, authors: Pattie Maes, Robert Guttman and Alexandros Moukas teaches; "software agent technologies can be used to automate several of the most time-consuming stages of the buying process (page 81, paragraph 3)."

#### ***Contact Details***

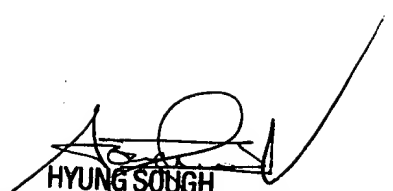
Any inquiry concerning this communication or earlier communications from the examiner should be directed to Kirsten S. Apple whose telephone number is 571.272.5588. The examiner can normally be reached on Monday - Friday 7:30-6:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Sam Sough can be reached on 571.272.6799. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

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ksa



HYUNG SOUGH  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER 3600